Purchasing in a Pandemic

The Strawhecker Group (TSG) and Visa Consulting & Analytics (VCA) teamed up in July 2020 to survey a representative sample of U.S. consumers, and analyzed Visa's proprietary spend data with the goal of understanding how the COVID-19 pandemic has impacted consumer lifestyles, payment methods, and how behaviors may change after the pandemic.





growth in certain vertical markets

Consumers are divided

on when - and if things will return to "normal"

Key Takeaways



accelerated growth of contactless and **eCommerce** payments

positive territory in June. July volumes through the 21st are up 7%. of consumers are spending less

20% Source: Visa Form 8-K Filed September 1, 2020

Spending has bounced back, but has not

U.S. Total Payments Volume: Visa

yet reached pre-pandemic levels

48% of consumers surveyed decreased overall spending since the pandemic started, but 28% of the respondents have increased their spending. Source: The Strawhecker Group and Visa Consulting & Analytics Consumer Survey, July 2020

Pharmacy

Shifts in spending has differed

across industries

Restaurant Delivery General Retail (not curbside)





Source: Q3 2020 Visa Earnings Release



cards and less cash going forward of consumers expect to use less cash

Consumers expect to use more

27% of consumers surveyed expect to use

credit/debit cards more after the pandemic

Source: The Strawhecker Group and Visa Consulting & Analytics Consumer Survey, July 2020

of consumers

expect to use

credit/debit

more

to increase.



I don't trust the

security level.

Visa added

contactless cards during

the first half of 2020

Source: Q3 2020 Visa Earnings Release

55% of respondents expect to use contactless cards more after the pandemic than before.

55% of consumers expect to use contactless cards more often The majority of respondents are confident that contactless payments were safer in terms of the spread of COVID-19. Source: The Strawhecker Group and Visa Consulting & Analytics Consumer Survey, July 2020

Contactless use is up, but

Education, access and broader enablement - particularly at small merchants -

penetration varies across verticals

2019 2020

Visa contactless usage is up **40%** in Q2 2020

> year-over-year. Source: April 28, 2020 Visa Earnings Release

As contactless penetration continues to

increase, 42% of survey respondents who

use cards, indicate that they have not yet

received a contactless card from their bank.

will help drive consumer contactless adoption. Growth in Contactless Payments 2020 vs. 2019 Retail Food and Grocery Drug Stores & Pharmacy Healthcare (Travel

generally fall into two categories; those that are comfortable now and those that are not. Consumers are currently most comfortable with social activities such as smaller events and being outdoors. An average of 41% of consumers are comfortable resuming their normal lifestyle now, including those that are comfortable if they

Darker = More Popular Response

7%

When there

are no new

cases in my

area for 2

weeks

10%

When there

are no new

cases in my

area for 4

weeks

24%

When there is

a COVID-19

specific

medical

prevention or

treatment

18%

I am unsure if

or when I will

ever be

comfortable

again

Least Popular

Response

@VISA 2020. ALL RIGHTS RESERVED.

The consumers surveyed vary in their sentiment on when

they feel they can resume a normal lifestyle, and they

Visiting public parks, beaches, etc. Dining outdoors at a restaurant Shopping in a retail store/mall Going to work in an office Dining indoors at a restaurant

Source: The Strawhecker Group and Visa Consulting & Analytics Consumer Survey, July 2020

Flying on an airplane Most Popular Response

expressed in, or implied by, any of these forward-looking statements in our filings with the SEC. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise. Disclaimer Studies, survey results, research, recommendations, opportunity assessments, claims, etc. (the 'Statements') should be considered directional only. The Statements should not be relied upon for marketing, legal, regulatory or other advice. The Statements should be independently evaluated in light of your specific business needs and any applicable laws and regulations. Visa is not responsible for your use of the Statements, including errors of any kind, or any assumptions or conclusions you might draw from their use. Powered by:

words such as "outlook," "forecast," "projected," "could," "expects," "will" and other similar expressions. Examples of such forward-looking statements include, but are not limited to, statements we make about Visa's business, economic outlooks, population expansion and analyses. All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict. We describe risks and uncertainties that could cause actual results to differ materially from those

This report contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are generally identified by

Panel information: The Strawhecker Group (TSG) and Visa Consulting & Analytics (VCA) teamed up to survey 569 consumers in the U.S., with the goal of understanding how the COVID-19 pandemic is impacting lifestyle, payments methods, and how lifestyle and payments methods will change after the pandemic. The survey was conducted on July 20, 2020. All the results are from the perspective of a U.S. consumer. The survey represents consumers across various U.S. regions and age groups. The survey was conducted with a +/- 4% margin of error at a 95% confidence level. This report is based upon information we consider reliable, but its accuracy and completeness cannot be guaranteed. Information provided is not all inclusive. All information listed is as available. Reproducing or allowing reproduction or dissemination of any portion of this report externally for any purpose, without expressed written consent of TSG, is strictly prohibited and may violate the intellectual property rights of The Strawhecker Group. © Copyright 2020. The Strawhecker Group . All Rights Reserved. **About Visa Consulting & Analytics** We are a global team of hundreds of payments consultants, data scientists and economists across six continents. Our consultants are experts in strategy, product, portfolio management, risk, digital and more with decades of experience in the payments industry. Our data scientists are experts in statistics, advanced analytics and machine learning with

changed their spending habits across various industries since the pandemic began. Most Positively Impacted Online Purchases in General Healthcare Visa reports that U.S. spend in these verticals declined 10% to 50% in April, but recovered to growth by end of June.

CONSUMER SPEND After a sharp decline in April, the U.S. saw a V-shaped spending recovery and reached positive territory again in June, with further a climb into July. Volumes declined 18% in April before returning to

VERTICAL IMPACT The image below shows how respondents of the survey have

PAYMENT METHODS 26% of surveyed consumers expect to use cash less after the pandemic than

before and 18% expect their use of cash

Source: The Strawhecker Group and Visa Consulting & Analytics Consumer Survey, July 2020

Source: April 28, 2020 Visa Earnings Release, 9 of the top 10 Visa card issuers in the U.S. support Tap to Pay

Fuel BACK TO "NORMAL"

Average Comfortability Score 24% 17% Iam comfortable Iam now with comfortable protective now measures Attending small indoor gatherings with

friends and family (10-20 people)

Riding public transit Attending large indoor events

Forward Looking Statements

Payments Experts. Powerful Data.

an established leader in this high-growth, ever-evolving space.

500 companies. The firm provides its clients with advisory services, research and analytics to help them THE STRAWHECKER GROUP® plan and execute their strategic initiatives. Based in Omaha, a recognized payments industry hub, TSG is exclusive access to insights from VisaNet, one of the largest payment networks in the world. Our economists understand economic conditions impacting consumer spending and provide unique and timely insights into global spending trends. The terms described in this material are provided for discussion purposes only and are non-binding on Visa. Terms and any proposed commitments or obligations are subject to and contingent upon the parties'

negotiation and execution of a written and binding definitive agreement. Visa reserves the right to negotiate all provisions of any such definitive agreements, including terms and conditions that may be ordinarily included in contracts. Case studies, comparisons, statistics, research and recommendations are provided "AS IS" and intended for informational purposes only and should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice. Visa Inc. neither makes any warranty or representation as to the completeness or accuracy of the information within this document, nor assumes any liability or responsibility that may result from reliance on such information. The Information contained herein is not intended as investment or legal advice, and readers are encouraged to seek the advice of a competent professional where such advice is required. When implementing any new strategy or practice, you should consult with your legal counsel to determine what laws and regulations may apply to your specific circumstances. The actual costs, savings and benefits of any recommendations, programs or "best practices" may vary based upon your specific business needs and program requirements. By their nature,

recommendations are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. All brand names, logos and/or trademarks are the

property of their respective owners, are used for identification purposes only, and do not necessarily imply product endorsement or affiliation with Visa.

Sources: TSG research and analysis, Visa Inc.

The Strawhecker Group (TSG) is a fast-growing analytics and consulting firm focused on the electronic payments industry. The company serves the entire payments ecosystem, from fintech startups to Fortune

In August, debit spending grew 24% year-over-year. Source: Visa Form 8-K Filed September 1, 2020 34% of respondents expect to use of consumers mobile/digital wallets more after the expect to increase pandemic than before and 7% expect mobile/digital their use of wallets to decrease. wallet use Most stores do not accept digital wallets. Of the respondents who do not use, and do not plan to begin using mobile/digital wallets, 69% stated they simply do not I have privacy and security concerns. want one and others had concerns about privacy and low acceptance rates at stores. I have one, I just do not use it. Source: The Strawhecker Group and Visa Consulting & Analytics Consumer Survey, July 2020 It is easier to pull out my card.

than before.

41% of respondents reported they have a contactless credit/debit card, showing there is lots of room to grow consumer access. Of those respondents, 60% use their contactless card for at least half of their purchases. Source: The Strawhecker Group and Visa Consulting & Analytics Consumer Survey, July 2020 Of the top ten card issuers, nine now offer contactless cards.

CONTACTLESS ADOPTION

Restaurant & QSR Home Improvement Source: This data was provided by VCA based on U.S. VisaNet data from June 2019 - June 2020

59% will not be comfortable resuming their normal lifestyle until additional progress is made to alleviate the pandemic, with 18% of that group not sure if they will ever be comfortable to resume their pre-pandemic lifestyle.

at least take protective measures such as social distancing.

Staying at a hotel Attending large outdoor events Sending children to school